

**REAL ESTATE APPRAISER BOARD
JULY 26, 2005
LIQUOR CONTROL CONFERENCE ROOM
5TH FLOOR, STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

OPENING

Chairman Dan Stoeber called to order the July 26, 2005 regular meeting of the Nebraska Real Estate Appraiser Board at 9:05 a.m. Board members Tim Kalkowski, Jim Bain, Kevin Kroeger, Sheila Newell, and Dan Stoeber were present. Jill Ekstein, Director was also present.

NOTICE OF MEETING

Chairman Stoeber announced the notice of the meeting was published in the *Lincoln Journal Star*, a newspaper of general circulation in Nebraska, as required by the public meeting law. The public notice and proofs of publication relating to this meeting are attached to and made a part of these minutes.

AGENDA

Chairman Stoeber asked if there were any additions or corrections to the agenda. Stoeber announced he would invite Linda Roesler, Financial Systems Auditor from the Department of Administrative Services, Accounting Division, to address the Board following approval of the minutes in order to allow her to return to her duties in a timely manner. Newell moved to adopt the agenda as printed. Bain seconded the motion. The motion carried with Kalkowski, Bain, Kroeger, Newell and Stoeber voting aye.

GUESTS

Chairman Stoeber welcomed the guests in attendance. Present were Diane Moore, President of The Moore Group; Perre Neilan, Government Affairs Director of the Nebraska Realtor's Association; Lynda Roesler; Financial Systems Auditor, State Accounting Division, Ray Miller, State Accounting Division; Cay Lacey; John Boehm; Vicki Ledbetter, Appraisal Subcommittee; and Denise Graves, Appraisal Subcommittee.

MINUTES

Chairman Stoeber asked for any additions or corrections to the minutes of the June 28, 2005, meeting. Bain moved to approve the minutes as printed. Kroeger seconded the motion. The motion carried with Bain, Kroeger, Newell, Kalkowski and Stoeber voting aye.

ACCOUNTING PROCEDURES

Linda Roesler, Financial Systems Auditor, identified the Accounting Division's role in daily accounting activities within the smaller agencies. In accordance with Nebraska §81-1111, the accounting bureau shall monitor all departments and agencies authorized by the Director of Administrative Services to perform their own preaudits. In addition, the management systems and studies bureau shall be responsible for systematically reviewing on a regular basis activities of state agencies and departments to determine that adequate internal controls exist within all departments and agencies and to assure that proper accounting methods are employed.

Roesler explained the Department of Administrative Services Policy regarding segregation of duties and pre-audit. She stated the Accounting Division would provide assistance to the Real Estate Appraiser Board by participating in the agency's pre-audit. Roesler informed the Board there was currently a Memo of Understanding that allowed the Director and Staff Assistant to process accounting documents and the Chairman to pre-audit the information. Roesler explained the policy requiring three individuals to review transactions greater than or equal to \$1500. Since the Real Estate Appraiser Board currently has only a Director, it would be necessary for the Accounting Division to assist further in the process. Roesler stated a simple email from the Director would rescind the current Memo of Understanding and allow the Accounting Division to have an active role in the daily processing.

Vice Chairman Kroeger asked Roesler to explain the charge for the service. Roesler identified there would be an annual fee to the Appraiser Board of \$250 and a charge of \$1.25 per document processed. Chairman Stoeber recommended the Board authorize Director Ekstein to send the necessary email to Linda Roesler.

Kroeger moved to authorize the Director to send the necessary email to Linda Roesler in order to rescind the current Memo of Understanding and utilize the services of the Accounting Division. Newell seconded the motion. The motion carried with Kroeger, Newell, Kalkowski, Bain and Stoeber voting yes.

Director's Report

Director Ekstein stated she wished to publicly thank the Board for allowing her the opportunity to serve as Director of the Nebraska Real Estate Appraiser Board. She thanked Chairman Stoeber, Vice Chairman Kroeger and Board Member Newell for all of the time each of them had taken to be in the office and assist her in learning the duties of the Director. Ekstein expressed her gratitude to Denise Graves and Vicki Ledbetter of the Appraisal Subcommittee for their assistance as well.

Chairman's Report

Chairman Stoeber stated he would like to once again welcome Jill Ekstein as the Director of the Real Estate Board. Stoeber provided an overview of the ARN Meetings he and the other Board Members had attended in Omaha, Nebraska. He stated the meetings were helpful to those in attendance as they further explained the implementation of the 2008 AQB criteria.

Chairman Stoeber publicly expressed his gratitude to Denise Graves and Vicki Ledbetter for providing assistance to Jill and the Board during the transition period. He acknowledged the training they had provided and the enormous amount of support they offered.

June Expense Report

Director Ekstein presented the Board with the expense report through June 30, 2005. She noted the month was also the end of the fiscal year. Board Member Kalkowski noted the increase in spending of legal fees. Chairman Stoeber responded the increase was due to the number of enforcement issues and the fact that at least two had come close to formal hearing requiring more time of the Legal Counsel.

Vice Chairman Kroeger moved to approve the June Expense Report. Bain seconded. The motion carried with Newell, Kalkowski, Bain, Kroeger and Stoeber voting yes.

Unfinished Business

Chairman Stoeber announced there was no unfinished business from the previous meeting.

New Business

Vice Chairman Kroeger suggested the Board consider changing the procedures for appraisers submitting the certificates for the 28 required hours of continuing education per two year cycle. Kroeger noted the number of certificates faxed to the office by appraisers. He stated the Board may need to consider asking appraisers to submit the certificates upon completion of all of the continuing education hours rather than following each course or seminar.

There was discussion about the suggestion. Director Ekstein noted she would monitor the issue and update the Board at a later date.

Education & Instructor Approval

Vice Chairman Kroeger informed the Board of one request for a new seminar. He stated the request had actually been made to approve a 14 hour course and a one hour exam provided by the Appraisal Institute. Board Member Newell stated the approval would have to be for a seminar as the Appraisal Institute is not approved by the Department of Education. Kroeger suggested to hold the request until the next meeting as he was not comfortable approving the request as a seminar without obtaining further information.

Kroeger announced the instructor approval would be held until the next meeting as the request was to approve the instructors for the Appraisal Institute.

General Public Comments

Cay Lacey addressed the Board. She expressed the interest of herself and others to lobby when the bill was finalized. She suggested she had an individual who was prepared to create a talking points brochure. Chairman Stoeber thanked her for her comments and stated the Board had not formally acted on anything as the ARN meeting was just this past weekend with the AQB criteria update. Board Member Newell reminded Cay Lacey that the Board is an agency of the State government and was not permitted to participate in lobbying efforts. She stated that a group or an individual was also not allowed to lobby on behalf of the Nebraska Real Estate Appraiser Board. Newell also reminded Ms. Lacey that the Statute/Rules & Regulations committee has been disbanded.

Chairman Stoeber asked Denise Graves if she wished to provide an overview of the ASC review before the Board conducted necessary business in Executive Session. Denise Graves, Policy Manager for the Appraisal Subcommittee, explained the ASC is the Federal regulatory agency who has oversight over state regulators to ensure compliance with Title XI. The ASC conducts a review every three years of each state regulatory agency.

Chairman Stoeber thanked all guests for their attendance and declared a brief recess. The meeting reconvened at 10:20 a.m.

At 10:21 a.m., Vice Chairman Kroeger moved that the Board go into Executive Session for the purpose of reviewing qualifications of applicants and consideration of written complaints. A closed session is clearly necessary for the prevention of needless injury to the reputation of the individual or individuals involved in the personal matters relating to applications to be reviewed, performance and disciplinary matters to be considered. Newell seconded the motion. The motion carried with Kalkowski, Bain, Kroeger, Newell and Stoeber voting yes. Board members and Director were present during closed session. Legal Counsel, John Boehm was also present for part of the discussion. Prior to discussion of Case #05-14, Board member Newell recused herself, thereby nullifying any potential conflict of interest.

At 11:53 a.m., Vice Chairman Kroeger moved to come out of Executive Session and Newell seconded the motion. The motion carried with Bain, Kroeger, Newell, Kalkowski and Stoeber voting yes.

Enforcement

Vice Chairman moved to take the following actions:

Case #04-02	Close
Case #05-05	Send out for Review
Case #05-11	Close and reference Case # 05-06

Newell seconded the motion. The motion carried with Kroeger, Newell, Kalkowski, Bain and Stoeber voting yes.

Vice Chairman moved to take the following actions:

Case #05-14	Send out for Review
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Kalkowski seconded the motion. The motion carried with Kalkowski, Bain, Kroeger and Stoeber voting yes. Newell abstained.

Personnel Matters

At 11:55 a.m., Vice Chairman Kroeger moved that the Board go into Executive Session for the purpose of reviewing personnel matters. A closed session is clearly necessary for the prevention of needless injury to the reputation of the individual or individuals involved in the personal matters. Newell seconded the motion. The motion carried with Kalkowski, Bain, Kroeger, Newell and Stoeber voting yes. Board members were present during closed session. At 12:15 p.m., Vice Chairman Kroger moved to come out of executive session. Newell seconded the motion. The motion carried with Bain, Kroeger, Newell, Kalkowski and Stoeber voting yes.

Newell stated that Jill Ekstein has taken on all the duties of the Director's position and the supporting staff. Director Ekstein has accepted this immense responsibility with enthusiasm and determination. Therefore, Newell moved to increase Director Ekstein's salary to \$50,000 retroactive to July 18, 2005. Vice Chairman Kroeger seconded the motion. The motion carried with Kroeger, Newell, Kalkowski, Bain and Stoeber voting yes.

Board member Kalkowski moved to pay the Board member's expenses for assisting Director Ekstein during this transition period. Bain seconded the motion. The motion carried with Newell, Kalkowski, Bain, Kroeger and Stoeber voting yes.

ASC Review

Vicki Ledbetter and Denise Graves with the Appraisal Subcommittee thanked the Board and Director Ekstein for their cooperation in the Review. The Review will be completed and a copy will be mailed to the Board in the near future. Ms. Ledbetter and Ms. Graves discussed the Review process of education and continuing education approval, renewal process, applicant process, temporary and reciprocity process, and the enforcement process. Both Ms. Graves and Ms. Ledbetter commented on the AQB 2008 real property appraiser qualification criteria and the Board selecting either the Segmented or the Firm Date. Chairman Stoeber thanked Ms. Ledbetter and Ms. Graves for their professionalism and cooperation in the Review.

There being no further business, Chairman Stober adjourned the meeting at 2:25 p.m.

Respectfully Submitted,

Jill Ekstein
Director

These minutes were available for public inspection on August 5, 2005, in compliance with Nebraska Statute §84-1413(5).